

ORIGINAL OPEN MEETING



MEMORANDUM

410

Arizona Corporation Commission

DOCKETED

JAN 30 2007

TO: THE COMMISSION JAN 30 1 A 8: 43

FROM: Utilities Division
ARIZONA CORPORATION COMMISSION
DOCUMENT CONTROL

DATE: January 30, 2007

DOCKETED BY

nr

RE: IN THE MATTER OF THE APPLICATION OF QWEST CORPORATION
TARIFF FILING TO INTRODUCE 811 SERVICES (DOCKET NO. T-01051B-
07-0033)

On August 29, 2005, Qwest Corporation ("Qwest") filed tariff revisions to introduce 811 Service. The Federal Communications Commission ("FCC") has designated 811 as the national abbreviated dialing code to be used by state One Call notification systems for providing advance notice of excavation activities to underground facility operators.¹ The service provides for the translation of "811" to a toll free or local telephone number so that the call can be routed to the appropriate One Call notification center. Because the calls are routed to a toll free or local telephone number toll charges will not be assessed to the caller.

The proposed non-recurring charges for the service are \$131.60 for each number to which 811 calls are to be routed and a central office activation charge of \$19.43 per switch. In addition, the customer will be assessed a charge of \$0.0084 for each call that is routed to the One Call notification system. In its cover letter attached to the proposed tariff revisions, Qwest stated that the proposed rates reflect Qwest's Total Service Long Run Incremental Cost ("TSLRIC") of providing the service. The Arizona Corporation Commission ("Commission"), in Decision No. 65047, approved Qwest's proposed 211, 311 and 511 Service tariffs; with the non-recurring and recurring rates set at Qwest's filed TSLRIC. During its review of the filing, Staff determined that the proposed rates for the service differ from the current rates for 211, 311 and 511 Service. Qwest provided Staff with information to support the proposed rates.

During its course of its evaluation of the filing, Staff was contacted by Arizona Blue Stake ("ABS"), the One Call Center administrator for Arizona. Essentially, ABS does not believe that it should be responsible for paying the cost of implementation of 811 Service. In its view, 811 Service is being implemented for the safety of the public. In addition, the service helps to keep telecommunications companies' facilities in service by reducing the possibility that their facilities may be cut. ABS also believes that because it must implement 811 dialing as a result of federal legislation, it should not be responsible for the cost of implementation of the dialing arrangement.

ABS also points out that recovery of 811 Service costs through charges assessed on it is not the least complex way to recover costs that it believes should be recovered from the public.

¹ In the Matter of The Use of N11 Codes and Other Abbreviated Dialing Arrangements, Sixth Report and Order, CC Docket No. 92-105, (2005).

THE COMMISSION

January 30, 2007

Page 2

ABS asserts that the telephone company ratepayers will either cover the cost of 811 Service through the charges that utilities assess for their services or through their telephone company bills. Because the same people will pay regardless of whether there is a tariff or if the costs are absorbed by the telecommunications companies, ABS believes that the telephone companies should absorb the costs of implementation for administrative convenience and consistency among companies.

Staff has reviewed the filing and agrees with ABS that 811 dialing is being implemented for the safety of the public. In addition, the information that Qwest filed in support of its rates indicates that the total costs of implementation of 811 dialing are an extremely small portion of the total costs of providing the telecommunications service. Staff would also note that in all other instances where N11 dialing has been implemented in Arizona, telecommunications companies other than Qwest have implemented the dialing arrangement at no charge to the entity that benefits from its use. Staff would also note that the Commission approved 711 Service at no charge to the provider of the state Telecommunications Relay Service for the hearing-impaired.

Therefore, Staff recommends approval of the 811 Service with the charges for the service set at zero.

A handwritten signature in black ink, appearing to read 'EGJ', followed by a long horizontal line extending to the right.

Ernest G. Johnson
Director
Utilities Division

EGJ:WMS:red\MAS

ORIGINATOR: Wilfred Shand, Jr.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

BEFORE THE ARIZONA CORPORATION COMMISSION

JEFF HATCH-MILLER
Chairman
WILLIAM A. MUNDELL
Commissioner
MIKE GLEASON
Commissioner
KRISTIN K. MAYES
Commissioner
GARY PIERCE
Commissioner

IN THE MATTER OF THE APPLICATION) DOCKET NO. T-01051B-07-0033
OF QWEST CORPORATION TARIFF)
FILING TO INTRODUCE 811 SERVICES.) DECISION NO. _____
ORDER

Open Meeting
February 13 and 14, 2007
Phoenix, Arizona

BY THE COMMISSION:

FINDINGS OF FACT

1. Qwest Corporation ("Qwest") is certificated to provide telecommunications service as a public service corporation in the State of Arizona.

2. On January 17, 2007, Qwest filed tariff revisions to introduce 811 Service:

Exchange and Network Services Price Cap Tariff

Section 10, Pages 60 through 66, Release 1

3. The Federal Communications Commission ("FCC") has designated 811 as the national abbreviated dialing code to be used by state One Call notification systems for providing advance notice of excavation activities to underground facility operators.¹ The service provides for the translation of "811" to a toll free or local telephone number so that the call can be routed to the appropriate One Call notification center.

...

¹ In the Matter of The Use of N11 Codes and Other Abbreviated Dialing Arrangements, Sixth Report and Order, CC Docket No. 92-105, (2005).

1 4. The FCC concluded that calls to One Call Centers using an abbreviated dialing
2 code must use 811 as the national abbreviated dialing code for providing advanced notice of
3 excavation activities to underground facility operators on or before April 13, 2007.

4 5. The proposed non-recurring charges for the service are \$131.60 for each number to
5 which 811 calls are to be routed and a central office activation charge of \$19.43 per switch. In
6 addition, the customer will be assessed a charge of \$0.0084 for each call that is routed to the One
7 Call notification system. All of the charges would be assessed on Arizona Blue Stake ("ABS"),
8 the One Call Center administrator for Arizona. In its cover letter attached to the proposed tariff
9 revisions, Qwest stated that the proposed rates reflect Qwest's Total Service Long Run
10 Incremental Cost ("TSLRIC") of providing the service. The Arizona Corporation Commission
11 ("Commission"), in Decision No. 65047, approved Qwest's proposed 211, 311 and 511 Service
12 tariffs; with the non-recurring and recurring rates set at Qwest's filed TSLRIC. During its review
13 of the filing, Staff determined that the proposed rates for the service differ from the current rates
14 for 211, 311 and 511 Service. Qwest provided Staff with additional information to support the
15 proposed rates.

16 6. During the course of its evaluation of the filing, Staff was contacted by ABS.
17 Essentially, ABS does not believe that it should be responsible for paying the cost of
18 implementation of 811 Service. In its view, 811 Service is being implemented for the safety of the
19 public. In addition, the service helps to keep telecommunications companies' facilities in service
20 by reducing the possibility that their facilities may be cut. ABS also believes that because it must
21 implement 811 dialing as a result of federal legislation, it should not be responsible for the cost of
22 implementation of the dialing arrangement.

23 7. ABS also points out that recovery of 811 Service costs through charges assessed on
24 it is not the least complex way to recover costs that it believes should be recovered from the
25 public. ABS asserts that the telephone company ratepayers will either cover the cost of 811
26 Service through the charges that utilities assess for their services or through their telephone
27 company bills. Because the same people will pay regardless of whether there is a tariff or if the
28 costs are absorbed by the telecommunications companies, ABS believes that the telephone

3 8. Staff has reviewed the filing and agrees with ABS that 811 dialing is being
4 implemented for the safety of the public. In addition, the information that Qwest filed in support
5 of its rates indicates that the total costs of implementation of 811 dialing are an extremely small
6 portion of the total costs of providing the telecommunications service. Staff would also note that
7 in all other instances where N11 dialing has been implemented in Arizona, telecommunications
8 companies other than Qwest have implemented the dialing arrangement at no charge to the entity
9 that benefits from its use. Staff would also note that the Commission approved 711 Service at no
0 charge to the provider of the state Telecommunications Relay Service for the hearing-impaired.

13 CONCLUSIONS OF LAW

16 2. The Commission has jurisdiction over Qwest and over the subject matter of the
17 Application.

20 4. The Commission, having reviewed the tariff pages (copies of which are contained
21 in the Commission's tariff files) and Staff's Memorandum dated January 30, 2007 concludes that it
22 is in the public interest to approve 811 Service with the charges for the service set at zero.

28

ORDER

IT IS THEREFORE ORDERED that the tariff filing, with the charges for the service set at zero, be and hereby is approved.

IT IS FURTHER ORDERED this Decision shall become effective immediately.

BY THE ORDER OF THE ARIZONA CORPORATION COMMISSION

CHAIRMAN

COMMISSIONER

COMMISSIONER

COMMISSIONER

COMMISSIONER

IN WITNESS WHEREOF, I BRIAN C. McNEIL, Executive Director of the Arizona Corporation Commission, have hereunto, set my hand and caused the official seal of this Commission to be affixed at the Capitol, in the City of Phoenix, this _____ day of _____, 2007.

BRIAN C. McNEIL
Executive Director

DISSENT: _____

DISSENT: _____

EGJ:WMS:red/MAS

Decision No. _____

1 SERVICE LIST FOR: Qwest Corporation
2 DOCKET NO. T-01051B-07-0033

3 Mr. Terry Lucas
4 Regulatory Manager
5 Qwest Corporation
6 20 E. Thomas Road – 16th Floor
7 Phoenix, Arizona 85012

8 Mr. Ernest G. Johnson
9 Director, Utilities Division
10 Arizona Corporation Commission
11 1200 West Washington
12 Phoenix, Arizona 85007

13 Mr. Christopher C. Kempley
14 Chief Counsel
15 Arizona Corporation Commission
16 1200 West Washington
17 Phoenix, Arizona 85007
18
19
20
21
22
23
24
25
26
27
28